

Director General of Anti-Profiteering v. Alankar Cinema

Case number: NAPA/124/PB/2025

Citation: No neutral or reporter citation printed for this judgment in the identified official order.

Decision date: 19 September 2026

Cinema-ticket tax reduction: maximum-price regulation did not excuse retention of the benefit

Court: Goods and Services Tax Appellate Tribunal, Principal Bench, New Delhi, Anti-Profiteering Division

Bench: Justice Mayank Kumar Jain, Member (Judicial), Court II

Decision stage: Final reasoned liability judgment directing Rs. 10,19,280 and 18% interest for the expressly stated period, divided equally between the Central and Telangana State Consumer Welfare Funds, with no penalty.

01 Facts of case and issues

A complaint by the Principal Commissioner, Hyderabad Commissionerate alleged that Alankar Cinema, a single-screen theatre, failed to pass on the 1 January 2019 GST reduction from 18% to 12%. Its tax-inclusive Balcony, Second Class and Third Class ticket prices remained Rs. 100, Rs. 60 and Rs. 30, while the base prices increased. The investigation period was 1 January to 31 October 2019.

The DGAP report dated 29 March 2022 initially covered only January to September 2019 and computed Rs. 9,75,827. Following the CCI direction dated 15 July 2024 to complete October coverage, the supplementary report dated 23 January 2025 added Rs. 43,453, giving Rs. 10,19,280. Those are the report figures ultimately accepted by GSTAT. The judgment records an earlier Telangana High Court stay and subsequent disposal of W.P. 3458/2020 with time to respond to the notices; the official status record confirms the 27 October 2021 disposal, but the underlying order terms remain unretrieved as qualified below.

The theatre relied on State price regulation and High Court orders permitting proposed fares, asserted that ticket prices included electricity, maintenance and security costs, and argued that there was no invoice or supply of goods. The issues were whether these defences displaced the tax-benefit pass-through obligation and whether the DGAP computation and Consumer Welfare Fund consequence should be accepted.

Pinpoint: Complaint and rate/ticket facts: paragraphs 1–6, physical pp. 2–4. Earlier writ history: paragraph 7, physical p. 4. Investigation and computations: paragraphs 8–18, physical pp. 4–8. Respondent submissions: paragraphs 19–24 and 33, physical pp. 8–10 and 12–13. Investigation period: paragraph 39, physical p. 17.

02 Discussion by Hon'ble Tribunal

The DGAP tables showed the retained cum-tax prices and increased base prices. For the Rs. 100 ticket, the displayed base price increased from Rs. 84.75 to Rs. 89.29; the displayed commensurate tax-inclusive price was Rs. 94.92. These are the source's rounded figures, not an independently reconstructed sales computation. The October table totals Rs. 43,452.71, expressed as Rs. 43,453 in the narrative.

02 Discussion by Hon'ble Tribunal

GSTAT examined the price-control defence and held that the materials did not establish a prohibition on reducing admission prices after the GST reduction. It treated State regulation as fixing a maximum price, found no cogent justification for retaining the benefit through a higher base price, and rejected the defence. The no-goods/no-invoice argument failed because cinema admission was a service supplied by a registered person who filed GST returns. Although paragraphs 37 and 48 also use ITC language, the actual dispute concerns a rate reduction, not a separately quantified ITC benefit.

Paragraph 22 records a general objection to methodology and failure to separate costs; paragraph 49 nevertheless characterises the methodology, calculations and reports as uncontested. Both positions must be retained. The Tribunal relied on the admitted base-price increase, its assessment of the evidence and the specific-denial principles it attributed to Thangam and Lohia Properties. It also relied on the Sudarshan Theatre and Mallikarjuna Cinema Hall passages reproduced in the order, and invoked Reckitt Benckiser when rejecting the cost argument. These authorities are reported as GSTAT used them, without asserting that every quotation, citation or wider proposition has been independently verified.

Paragraph 54 prints a rebuttable-presumption reference to Section 170(1), although the surrounding discussion and contravention finding concern Section 171. Primary India Code text confirms Section 170 is rounding off with no numbered subsection (1). The source error is retained, and the presumption is attributed to the Tribunal rather than invented as statutory language.

Paragraph 43 also describes the 2013/2016/2019 price documents as not relating to the relevant period, although the investigation concerns 2019. That chronological tension is retained as the Tribunal's reasoning, without repairing a document date or treating the description as an independently established fact.

Pinpoint: DGAP tables: paragraphs 10–16, physical pp. 5–8. Methodology objection: paragraph 22, physical p. 9. Statutory discussion and cited theatre authority: paragraphs 35–38, physical pp. 13–17. Tribunal price-regulation reasoning: paragraphs 40–45, physical pp. 17–20. Service, evidence and admitted-price reasoning: paragraphs 46–52, physical pp. 20–23. Costs, printed provision and contravention: paragraphs 53–56, physical pp. 23–25.

03 Judicial decision and operative relief

GSTAT found a Section 171 contravention, accepted the DGAP reports dated 29 March 2022 and 23 January 2025, and rejected the respondent's objections. Because the recipients were not identifiable, it applied Rule 133(3)(c).

Operative paragraph 63 directs deposit of Rs. 10,19,280 with interest at 18% from 28 June 2019 to 31 October 2019, as applicable. It allocates 50% of the amount and interest to the Central Consumer Welfare Fund and the remaining 50% to the Telangana State Consumer Welfare Fund. The expressly printed interest period differs from the January-to-October investigation period; it is not rewritten as running until payment. No deposit deadline is stated in the operative paragraphs, and no calendar deadline is inferred from the statutory quotation.

03 Judicial decision and operative relief

No penalty is leviable under the order: paragraph 57 treats the investigated period as preceding the penalty provision's 1 January 2020 commencement. The judgment also directs communication to the concerned CGST/SGST Commissionerate. It does not establish that either fund has received the amounts or that compliance has been completed.

Pinpoint: Contravention, unidentifiable recipients and penalty reasoning: paragraphs 56–59, physical p. 25. Operative report acceptance, rejection, amount, interest, fund split and communication: paragraphs 61–66, physical p. 26.

04 In favour of

DGAP and the consumer-protection claim on substantive liability, implemented through equal deposits to the Central and Telangana State Consumer Welfare Funds because recipients were unidentifiable. Alankar Cinema obtained no merits exoneration; the no-penalty ruling and the expressly limited interest period qualify the monetary consequences.

Final substantive Section 171 liability for Rs. 10,19,280 with the paragraph 63 interest and equal Consumer Welfare Fund allocation. This is a reasoned determination after rejection of the theatre's defences, not merely an administrative confirmation or completed-compliance closure. No penalty was imposed; later appellate treatment and actual deposits remain unverified.

Pinpoint: Tribunal reasons: paragraphs 40–59, physical pp. 17–25. Final directions: paragraphs 61–66, physical p. 26.

05 AKHB REVIEW POINT

AKHB analysis: A maximum permitted admission price does not itself establish that a cinema must retain that price after a GST reduction. For a comparable historical dispute, examine the actual licence and orders, the pre- and post-change base and gross prices, ticket volumes and contemporaneous evidence of benefit passed on. The Tribunal's rejection of this theatre's unsupported explanation should not be expanded into a universal prohibition on commercial repricing.

Challenge disputed calculations specifically and reconcile the underlying ticket data. Here the written cost/methodology objection and the Tribunal's later description of the figures as uncontested are both important. The printed tables contain rounded values and the October formula heading does not transparently reconcile with its tax-inclusive totals; neither a new demand nor a corrected worksheet should be invented from this note. The original reports and sales records would be needed for an independent arithmetic audit.

05 AKHB REVIEW POINT

Keep the investigation period separate from the exact interest dates ordered. Before preparing a deposit or enforcement computation, verify any authoritative clarification, later order and actual fund receipts. The absence of a stated operative deadline is not a finding that payment can be deferred indefinitely. Preserve the printed Section 170(1) reference and the inconsistent historic citation chronology for source verification rather than silently repairing them. Any proposed challenge or compliance step needs case-specific advice and current primary authorities.

Pinpoint: AKHB commentary based on paragraphs 10–16, physical pp. 5–8; paragraph 22, physical p. 9; paragraph 33(i), physical p. 12; paragraphs 40–57, physical pp. 17–25; and paragraph 63, physical p. 26. Recommendations are distinct from the Tribunal's holding.

Sources and limitations

Relevant provisions

CGST Act 2017: Sections 171(1), 171(2), 171(3) and 171(3A), with the statutory quotation distinguished from the actual no-penalty ruling; CGST Rules 2017: Rules 128, 129(1), 129(6), 133(4) and 133(3)(c); Central Tax (Rate) Notification 27/2018 dated 31 December 2018, historical cinema-rate reduction as recorded; Central Tax Notification 23/2022 dated 23 November 2022, historical CCI empowerment as recorded; CGST Act 2017: Section 109(3), Principal Bench constitution as recorded; Central Tax Notification 18/2024 dated 30 September 2024, Principal Bench empowerment as recorded; Central Tax Notification 01/2020, penalty-commencement reference in paragraph 57, independently checked; Code of Civil Procedure 1908: Order VIII Rules 3 and 5, in the Tribunal's reproduced Supreme Court authorities; Government Order Ms. No. 100, Home (General A) Department, dated 26 April 2013, price-regulation defence as recorded; CGST Act 2017: Section 170(1), erroneous printed paragraph 54 reference, not endorsed as a statutory presumption; CGST Act 2017: Sections 109 and 171(2), institutional/current-law context; Central Tax Notification 19/2024, new-request-cutoff context; Central Tax Notification 31/2019: amending rule 17(c), contextual fund-interest check, without rewriting the operative interest period.

Statutory note

Checked 13 October 2026. Section 171(1) requires the benefit of a tax-rate reduction or ITC to be passed to recipients through commensurate price reduction. Notification 18/2024-Central Tax, issued under Section 171(2) read with Section 109(1) and the second proviso to Section 109(5), empowers the Principal Bench constituted under Section 109(3) from 1 October 2024. Notification 19/2024-Central Tax fixes 1 April 2025 as the date from which the authority shall not accept new examination requests. Its text does not repeal Section 171 or direct automatic termination of pending matters. This anti-profiteering jurisdiction must be distinguished from ordinary GST appellate jurisdiction; earlier NAA/CCI investigations are historical steps. The historical cinema-rate amendment is Notification 27/2018-Central Tax (Rate), effective 1 January 2019; this is not present-rate advice. India Code Section 170 concerns rounding off and contains no numbered subsection (1); Section 171(1) supplies the pass-through obligation. Paragraph 54's printed Section 170(1) is erroneous, and its rebuttable-presumption formulation remains the Tribunal's reasoning rather than statutory text. Notification 01/2020-Central Tax validly brings the relevant 2019 amendment into force on 1 January 2020; its number is not a source error. The later Rule 133(3)(c) fund-interest insertion does not authorize this note to replace the judgment's expressly limited operative interest dates.

Treatment note

Checked 13 October 2026. Fresh exact official PDFs remain byte-identical to the collected sources. The current official final-order index and bounded party/case searches located no later matching stay, recall, reversal or modification of this identified order. This is not certification of the complete appellate docket or actual compliance. Related Reckitt proceedings remain qualified: same-day official Supreme Court procedural/listing evidence, including the 13 May 2026 cause list, does not establish a stay, merits affirmation or final Supreme Court outcome. No fresh complete Supreme Court docket search is claimed. The official Telangana High Court case-status record confirms that W.P. 3458/2020, M/s. Alankar Cinemas v. Union of India, was disposed of without costs on 27 October 2021. Its indexed order links returned HTTP 404 and the archive attempt yielded no order text. The reported 19 February 2020 interim stay and eight-week reply terms therefore remain attributed to the GSTAT recital, not independently verified order terms. No subsisting stay, later appellate clearance or actual fund deposit is inferred.

Scope of source review

One final reasoned order of the GSTAT Principal Bench exercising anti-profiteering jurisdiction. DGAP reports, CCI directions and prior High Court proceedings are history as recorded in this order unless a separately verified primary source is expressly identified. The cited judgments, their quotations, case citations and legal propositions are attributed to GSTAT, not independently certified except for the expressly identified targeted primary checks. The administrative form is read with the reasons. This is neither ordinary GST appellate coverage nor a claim of corpus-wide completeness.

Identity note

NAPA/124/PB/2025; reference ZA070010926000164H; reserved 7 September 2026 and pronounced/digitally signed 19 September 2026. Paragraph 33(i), physical p. 12, pairs a 31 October 2019 High Court order with W.P. 19046 of 2024; that inconsistent chronology is not repaired. Other historic order references are reported as recorded, not certified. Paragraph 54, physical p. 24, prints Section 170(1). Paragraph 63, physical p. 26, expressly states 28 June–31 October 2019 for interest. The October table's Rs. 43,452.71 is rounded to Rs. 43,453 in paragraph 15; the total ordered is Rs. 10,19,280. Paragraph 43's relevant-period description also remains qualified despite its reference to 2019 documents.

Primary source

Source description: Complete 26-page official PDF, including Form GST APL-04A and the final reasoned order. Every original page read and individually viewed by the AI author and independent source reviewer; source bytes preserved.

Official source: [Open source document](#)

Source pages: 26

Outcome type: final

Additional source

Central Tax Notification 18/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Paragraphs 1–2, physical p. 1: statutory power and commencement on 1 October 2024.

Central Tax Notification 19/2024 dated 30 September 2024

Source document: [Open source document](#)

Pinpoint: Operative paragraph, physical p. 1: 1 April 2025 cutoff for accepting examination requests.

CGST Act 2017, India Code compilation marked as at 11 June 2026

Source document: [Open source document](#)

Pinpoint: Sections 109 and 170–172, including Section 171(3A) and its commencement footnote; targeted primary passages only, not a complete legislative-update audit.

Reckitt Benckiser India Private Limited v. Union of India, Delhi High Court, 29 January 2024

Source document: [Open source document](#)

Pinpoint: W.P.(C) 7743/2019 and connected matters; background authority. This note does not claim final Supreme Court approval.

Supreme Court cause list for 13 May 2026

Source document: [Open source document](#)

Pinpoint: Physical p. 37, Reckitt SLP(C) 12705/2024. Listing evidence only, not a merits judgment or stay order.

Central Tax (Rate) Notification 27/2018 dated 31 December 2018

Source document: [Open source document](#)

Pinpoint: Paragraph 1(i)(h), physical p. 2, and paragraph 2, p. 3: cinema-entry central-tax amendment and 1 January 2019 commencement. Historical instrument, not present-rate advice.

Central Tax Notification 01/2020 dated 1 January 2020

Source document: [Open source document](#)

Pinpoint: Complete one-page commencement notification, including Finance (No. 2) Act 2019 section 112 among the provisions brought into force on 1 January 2020.

Central Tax Notification 31/2019 dated 28 June 2019

Source document: [Open source document](#)

Pinpoint: Amending rule 15 and rule 17(c), physical p. 5: initial investigation period and fund-interest insertion.

Telangana High Court public case-status portal

Source document: [Open source document](#)

Pinpoint: WP 3458/2020, CNR HBHC010065682020: matching identity and disposal date/type checked on 13 October 2026. Order text was unavailable; this is status evidence only.

Disclosures and source rights

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